

EXHIBIT

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TIME SQUARE
CONSTRUCTION & DEVELOPMENT
255 11 AVENUE, NEW YORK, NY 10017
TEL (212) 687-1000 FAX (212) 687-3025

July 5, 2007

Navillus Contracting.
Kew Electric Corp.
Commercial Drywall Corp.

To Whom It May Concern:

In the past two months, the construction at 785 Eighth Avenue has been shut down twice by union employees walking off the job. In May, it was supposedly due to the Steamfitters leafleting over our use of a non-union plumbing subcontractor. Over the past week and a half it was supposedly due to the discharge of a Local 79 laborer who was put on the job as an accommodation to Local 79 but who did no actual work.

Last Wednesday, in order to achieve labor peace on the job we agreed with Local 79 that a union subcontractor would employ another Local 79 member at the job site and that Local 79 would then stop picketing. (By the way, we offered that to Local 79 before it began picketing.) We have now reinstated all union subcontractors who we terminated during the latest strike and all union workers have now returned to the job.

These two strikes have cost us a great deal of money and lost time. The vast majority of this job is being performed by union subcontractors and union workers. We have set up separate gates so that any dispute any union has with non-union subcontractors on the job can be isolated and should not cause any union worker to have to cross a picket line to go to work. We trust that we will now be able to have this job completed without interruption.

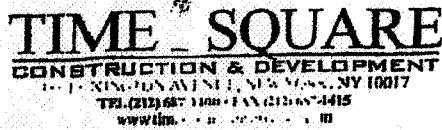
However, in fairness and in all candor we wish to make clear to all of you that while we have twice now allowed union subcontractors and their workers to return to work after work stoppages, we simply cannot and will not do so again. If there are anymore work stoppages-for any reason- we will be left with no choice but to enforce the Contract Documents to its fullest.

Permanently replacing our union subcontractors and their employees is the last thing we want to do and if we have to do it, it will only be because we have been left with no choice. We ask all of you to do your part to make sure this doesn't happen by staying on the job and completing your work that you have been contracted to perform.

Thank you for your anticipated cooperation.

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TIME SQUARE 00105



Sincerely,

Kevin O'Sullivan
President
Time Square Construction

Cc. John Greaney - Local 608
Maurice Foley - Local 18A
Kenny Brancaccio - Local 79
Edwin Christian - Local 14
Robert Ledwith - Local 46
Ray Melville - Local 3
Angelo Scagnelli - Local 780
Joel Cohen - McDermott, Will & Emery
Lauren Esposito - NLRB
Edward Malloy - Building and Trades Council of Greater New York AFL-CIO
Paul O'Brien - Building Contractors Association

NYK 1109526-1.079158.0011

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TIME SQUARE 00106

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

NAVIGUS CONTRACTING
53-18 11th STREET
LONG ISLAND CITY, NY 11101
ATTN: DONAL O'SULLIVAN.

2. Article Number

(Transfer from service label)

7006 0810 0005 5007 7844

PS Form 3811, February 2004

Domestic Return Receipt

102506-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x Danielle Hordland ☐ Agent ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

7/8/07

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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TIME SQUARE 00107

Time Square Construction, Inc.

June 26, 2007

Navillus Contracting, Inc.
53-18 11th Street
Long Island City, New York 11101

Attn. Mr. Donal O' Sullivan

**RE: Project: 785 Eight Avenue
Termination Notice**

Dear Mr. O' Sullivan:

Because you have failed to perform work of the Subcontract on June 26th, 2007 and your inability to cure your default by your failure to perform your Contract work, was an anticipatory breach of the Subcontract, waiving any further contractual notice or need for us to defer exercising our rights under the Subcontract.

Please note we will also hold Navillus Contracting, Inc. liable for all costs that we incur as a result of Navillus Contracting, Inc. failure to perform, including all Safety Issues, relocating netting as required, loose material not secured on site and any damages that may occur as a result of these safety violations.

Therefore, please take notice that, pursuant to Paragraph 4, the Subcontract will be terminated for cause, effective immediately and that we shall hold Navillus Contracting, Inc. liable for all expenses and damages that we incur as a consequence of Navillus Contracting, Inc. default and termination.

Very truly yours,

TIME SQUARE CONSTRUCTION, Inc.


Kieran Power

cc: Howard M. Rosen, Esq.
Kevin O'Sullivan - Time Square Construction
Joel Cohen - McDermott, Will & Emery

355 Lexington Avenue
New York, NY 10017
Phone: 212-687-1400
Fax: 212-687-1415

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TIME SQUARE 00102

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <u>Donal O'Sullivan</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p><u>Navillus Contracting</u> <u>53-18 114th St.</u> <u>Long Island City,</u> <u>NY 11101</u></p>		<p>B. Received by (Printed Name) <u>D. O'Sullivan</u></p>	<p>G. Date of Delivery <u>6/1/7</u></p>
<p>2. Article Number (Transfer from service label)</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>	
<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>PS Form 3811, February 2004</p>		<p>Domestic Return Receipt</p>	

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TIME SQUARE 00103

TIME SQUARE
CONSTRUCTION & DEVELOPMENT

Re : 785 Eighth Avenue

To: Donal O'Sullivan

Company: Navillus Contracting

Fax: 718 784-0500

Date: 06/26/07

From:- Fergal Conefrey

Tel :(212) 687-1400

Fax:(212) 687-1415

E-Mail: fcone@timesquareconstruction.com

Pages to follow:

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Comments

785 Eighth Avenue

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TIME SQUARE 00104